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The Family Farm in American Agriculture

A Report of the National Agricultural Advisory Commission

The family farm remains the backbone of American agriculture because it has shown remarkable capacity to adapt to new methods and markets in a dynamic economy. The very changes that have enabled it to remain efficient, however, have so transformed it in some respects that an erroneous impression sometimes exists that the family farm has disappeared.

The essential feature of a family farm is not its acreage or its technological progressiveness but the degree to which productive effort and its rewards are vested in the family. The family farm is an agricultural business in which the operator is a risk-taking manager, has a substantial investment, and, with his family, supplies a large part of the labor. Under this arrangement, the incentive to produce efficiently becomes especially dominant.

The boundary between family farms and the larger-than-family farms is necessarily indistinct. Employment of two or three men is not now inconsistent with the family farm, nor was it 50 years ago. For statistical purposes, however, we may say that the amount of hired labor does not exceed the amount of family labor, which on the average farm is about 1.5 man-years. Substantial equity in land, equipment, or livestock is involved also in the concept of the family farm. Unless the operator has a significant investment, he is not likely to have much managerial control or security.

Technology and changes in farming

Mechanization and other technological advances have greatly increased the amount of farm products a family can produce. The desire for more income provides the motive, while mechanization and other technology provide the means, for family farmers to enlarge the size of their farm businesses. These

developments--in many ways paralleling automation in industry--mean that fewer resources, including labor, are needed in agriculture. Opportunities for young men to get started on adequate family farms are necessarily much curtailed because of substitution of capital for labor.

Adequate family farms today are commercial enterprises in which the operator's technical knowhow and managerial skill are more important than his physical prowess. Credit and leasing arrangements frequently are the means by which the family brings under its control sufficient resources for an efficient unit. The level of living possible on a semi-subsistence farm, while perhaps no lower now than generations ago, is no longer acceptable to farm people who wish to share in the rising incomes characteristic of the American economy.

The farm problem and the family farm

The farm problem is a problem of persistent income disadvantages for farm people. One aspect is low income on farms having far too few resources for an adequate producing unit. Another aspect is low earnings, compared with returns outside of agriculture, on labor and investment on the productive farms that produce the great bulk of our agricultural products. The latter grows out of a persistent tendency to overproduce as a result of advancing farm technology. It is intensified by shrinkage of some markets as other technology develops substitutes for farm products--for example, man-made fibers for natural fibers.

When improved production methods become available, individual farmers adopt them, increase output, strive to expand, and bid up the price of land. Production rises faster than the market grows; prices and incomes are driven down. The numbers of farms and of farm workers decline, but the rate of adjustment required to hold farm incomes at reasonable levels exceeds the

feasible rate. The age of many farmers (50.5 was the average age in 1959), their lack of skill for nonfarm work, distance from industrial centers, and unemployment in the economy at large are practical obstacles to more rapid adjustment. The basic difficulties of agriculture as this process unfolds would exist whether the same farm resources were divided among half as many farms or twice as many. Family farms by far predominate in our efficient agriculture, but they do not create the circumstances in which downward pressure on farm incomes is generated.

Policy to maintain reasonable incomes in American agriculture is not an attempt to preserve an inefficient or anachronistic institution. The root of the farm problem is the inability of ordinary economic adjustment processes to carry the extraordinary burden placed upon them by rapid technological advance in agriculture. The difficulty is intensified by the high efficiency of United States agriculture, the speed with which it translates innovations into more production, and its inability voluntarily to hold excess capacity idle.

Economic adversity has fallen most heavily on operators of small farms who, because of age, inadequate resources, or other reasons, have not been able either to keep up in the race to expand or to find remunerative nonfarm employment. But the cost-price squeeze has been general throughout agriculture. In most of farming, programs to support farm income have contributed, directly or indirectly, to such income and financial solvency as the more successful competitors have enjoyed.

Development and contributions of the family farm system

At the time of the establishment of the 13 American colonies, feudalism was the dominant pattern in European farming. But though attempts were

made, the system was not easily exported to the New World. Europeans escaping the oppressions of feudalism demanded assurance that they would become farm owners if they came to the colonies. In some instances, headrights to small amounts of land were offered to those who could get transportation to America--a forerunner of the homestead movement. Over a long period, settlers resisted and eventually abolished the entail system, primogeniture, quitrents, and other restrictions on opportunity to own, operate, or develop land.

Owner-operation of land was admirably suited to the requirements of settling a new country. It was, moreover, consistent with early American's beliefs in equal opportunity for individuals, their equal rights as citizens, and identification of praiseworthy character with proficient work. The family farm became a symbol of such virtues in a predominantly agricultural society.

The land policy by which the West was opened up reflected strong attachment to the family farm ideal. After several anticipatory measures, the Homestead Act of 1862 made homesteading the established national policy. Also in that year, the Land-Grant College system and the U. S. Department of Agriculture were created. These became the basis for the research and educational work that farmers could not do for themselves but which was essential for a progressive agriculture. A century later, systems patterned after the American model were to be established in remote countries of the world in an effort to stimulate agricultural development.

By 1920, the long period in which agriculture supplied the nation's food and fiber by increasing the crop acreage and labor force had come to an end. Thereafter, production was increased by mechanization, improved plant varieties, better cultural practices, and all the other advances lumped under the heading "technology." The economic pressures constituting the present farm problem began then and strengthened in the following decades, though the depression of the 1930's and wartime conditions at times masked

their effects. Both agriculture's technological performance and the resulting economic pressures have been especially high in the past decade, as described in preceding pages of this report.

The rising efficiency of family farm agriculture over the decades has enabled the United States to shift gradually to a highly industralized economy producing the world's highest level of living--including more and better food per person than when 90 percent of the population was agricultural. The American people are better fed, and for a smaller proportion of their income, than any other nation. Family farmers have demonstrated their ability to meet the requirements of a technological age as well as they once met the needs of settling a new country. The land ownership system on which the family farm is based has proved clearly superior to collectivist arrangements or to feudalism as transplanted to countries now struggling to develop economically.

The current position of the family farm

Though the character and size of the family farm are changing, as an institution it has held its own in American agriculture. In 1944, farms employing less than 1.5 man-years of hired labor comprised 94.5 percent of all farms and marketed 66.5 percent of all farm products sold. In 1959, such farms accounted for 95.7 percent of all farms and for 70.1 percent of all marketings.1/

The basic economic influence on the farm size toward which agriculture is moving at any one time is the relation of production costs per unit of output to size of operation. Farms too small to employ family labor productively, using modern methods, have high production costs if family labor

1/ Sources of information and elaboration of the main points contained in this report are contained in the accompanying supplement.

is valued at moderate annual wages. Since the high unit costs are not compensated for by correspondingly high prices, the earnings of the family for its labor and investment on such a farm are in fact low.

Production costs per unit in most types of farming fall as size of farm increases up to the point where available family labor and a full complement of equipment are utilized effectively. Beyond that point, costs per unit typically do not change much. Exceptions exist in certain types of farming, and marketing as well as production economies sometimes are obtained by larger-than-family farms. But in most of agriculture the well organized family farm is as efficient as any unit. Indeed, the managerial flexibility and the profit incentive of the family farm often give it an advantage over larger farms depending on salaried employees for management and labor.

The drive for proficiency and the increase in the size of farm a family can operate are reflected in the rapid reduction in the number of the smallest farms. Between 1949 and 1959, the number of farms selling less than $2,500 worth of farm products declined 43 percent (excluding farms omitted by change of Census definition). The number of farms with sales between $2,500 and $10,000 dropped 21 percent. The number with sales exceeding $10,000 but hiring less than 1.5 man-years of labor increased 95 percent. Thus the tendency was to move toward efficient, family-size farms. In contrast, the number of farms with sales in excess of $10,000 and hiring 1.5 or more man-years of labor declined 3 percent.

Changes in the farm labor force suggest similar conclusions. In 1910, 3.4 million hired workers (USDA series) comprised 24.9 percent of the farm labor force. In 1952, 2.1 million hired workers were only 23.4 percent of the total. Hired workers declined in absolute numbers to 1.8 million in 1962 but rose to 27.3 percent of the farm labor force. The increase in

the proportion reflected the rapid decline in the smallest farms rather than an increasing importance of larger-than-family farms relative to efficient family farms.

Tenancy in American agriculture has fallen steadily since 1930. In that year, 42.4 percent of all farms were operated by tenants; in 1959, the percentage was 19.8. Only about one-half of one percent of all farms are operated by managers. Share-cropping in the South has been falling rapidly. Such changes point to increasing managerial control and financial equity on the part of operators.

In contrast, contract farming has curtailed the range of decisions left to some farm operators, especially in poultry farming. Developed in a proper way, contract farming can be a means by which family farms gain access to capital or establish desirable market outlets for their products. Such results are particularly likely to be obtained if farmer-controlled cooperatives make the contractual arrangements. Experience has shown, however, that contract farming can also put the operator of a farm nearly in the position of a hired farm laborer with no assurance that the arrangement into which he has entered will be continued. On balance, the decline of tenancy probably has outweighed operators' loss of managerial control under contracts, but efforts should be made to steer the development of contract farming in directions conducive to maintaining independent family farms.

Prospects for the family farm

The ability of the family farm to hold its own despite dramatic changes in agriculture in recent decades indicates its competitive vigor. The average size of farm will increase and the number of farms will decline as farmers continue to adjust to technological advance, but the family farm promises to dominate agriculture indefinitely if a favorable economic

environment is provided. Positive programs will be needed if family farms are to be assured of sharing equitably in the rising incomes of the American economy. A great challenge for farm policy is to keep the high productivity of a family farm agriculture from resulting in chronic depression of the income of farm people.

The relation of production costs to size of farm continues to permit well-organized family farms to be as efficient as larger operations in most types of production. Especially in crop farming, it is not possible to break the production process down into many steps to be performed simultaneously by specialized labor and machinery. Thus an important advantage of large-scale factory production is not available in much of agriculture.

The present geographic distribution of family-size and larger-than-family farms seems highly stable. Each type shows a strong tendency to persist in the areas where it has been long established. There is little prospect that large farms will become less important in California, the Southwest, the Mississippi Delta, or Florida. Elsewhere, the family farm has great staying power.

Despite the vigor of the family farm, certain developments do pose problems for its future and for its continuing contribution to the nation. The investment required in a well-organized family farm has grown to the point where acquisition of ownership by the succeeding generation of farmers is even more difficult than it has been in the past. The net income of farm families has become a smaller proportion of income from marketings as purchased supplies and machinery have played a larger part in production; family incomes are more vulnerable than formerly to the effects of sharp price declines or crop losses resulting from adverse weather.

Mass merchandising methods in food distribution have created markets in which buyers demand large volumes of uniformly good quality from producers. As a result, marketing advantages for large producers of some products are appearing that formerly did not exist or were of little importance. Some marketing functions once performed on the farm have been moved beyond the farm gate to processing and distribution industries. This shift has reduced the economic services to be provided by farmers and has presented them with new kinds of marketing problems. In some instances, processors are integrating entire production operations with their nonfarm operations. In others, suppliers are performing a large part of the production function under contractual arrangements. Possibly future developments in this area will take the form of close working relationships between independent farmers and business firms, but disappearance of farm production as a distinct and separate operation is conceivable in some cases.

The self-employed farmer competes with others like himself and with hired farm labor. The farm family will not earn favorable returns on its own labor when hired labor is chronically cheap. Farm wages vary widely among areas and type of work, but average farm wages are low compared with industrial wages. The reasons are complex and include the lack of skill and low productivity of part of the hired labor force. An abrupt advance in the cost of hired labor would severely squeeze many farm employers. Over the long run, however, the opportunity for family farmers to compete and to earn satisfactory returns for their labor will be enhanced if wages and working conditions for hired farm labor compare favorably with those in industry.

Recommendations for a healthy family farm agriculture

1. Public understanding. One of the primary needs for achieving a healthy family farm structure is a broad public understanding of how family farming, the high productivity of agriculture, and the farm problem are related to each other. Misconceptions lead to beliefs that the farm problem would be solved if family farms were eliminated, that farm programs are intended to preserve an institution of sentimental but no economic value, or that farmers could readily solve their own problems if they only would. We recommend, therefore, that a concerted and continuing effort be made by farmers themselves and by public agencies serving agriculture to inform the people of the country about the economic position of farming and of the place of family farms in it, so that realistic and effective policy can be forthcoming.

2. Educational and related services for farmers. Continued public support of agricultural research, extension, education, soil conservation, and similar services will contribute to a favorable environment for family farms. Such services have helped family farmers to be as technologically progressive as the largest farm operations. In other circumstances, giant units capable of hiring technical experts and even of developing their own trade secrets would have had an important advantage. Redirection of research,

extension, and related activities is necessary from time to time to meet new problems of agriculture and of rural areas. We recommend a policy of combining (a) technical services for individual farmers with (b) programs to permit orderly adjustment to technological change as being in the best interests both of family farms and of the economy at large.

3. Strengthening and broadening the role of farmer-controlled cooperatives. Encouragement of agricultural cooperatives assists family farmers to realize economies of large scale purchasing and marketing. The greater emphasis on volume and uniformity by buyers in some commodity markets has increased the need for cooperative marketing by individual farmers. Beyond these long-established functions, cooperatives are increasingly challenged to develop bargaining power more nearly commensurate with that of the giant firms with which they often deal. We recommend examination of the legal framework within which cooperatives operate, credit policies, and the USDA's work on problems of cooperatives, followed by action to put into effect such changes as seem capable of strengthening and extending the role of farmer cooperatives.

4. Ownership of land by farm operators. Family farmers may come to have a serious disadvantage in competing for land not because they cannot operate it efficiently but because of limited financial resources. We recommend reducing the competition for farmland by nonfarmers by changes in income tax provisions now favorable to such bidders. We urge that more adequate information be obtained on the ownership of farmland, on the influence of demand from outside of agriculture, on the effects of inheritance taxes, and on the technical means by which demand for land might be confined more largely to farm operators. We also recommend that state and local governments base taxation of farmland on its agricultural value while it is being farmed.

5. Special needs for credit. Existing programs to extend credit to farmers with reasonable prospects for success but with limited financial resources have had a good repayment record and have demonstrated their usefulness. Care should be taken to direct these efforts toward farms of sufficient size to permit efficient operation. We recommend that special attention be given to (a) credit for combining small units into adequate family farms under potentially good managers, and (b) modification of credit instruments and practices to permit more readily the carrying of a stable level of debt once the operator has acquired a reasonable equity.

6. Minimum wages and working conditions for hired agricultural labor. Better employment conditions and wages for hired farm labor will improve the competitive position of family farms relative to that of larger-than-family farms. Concern about the welfare of farm people surely includes, in a democratic society, the welfare of families who work for farmers. Farm wages and other conditions of employment are at or above industrial minimums in important parts of agriculture but not in all. We recommend that minimum wages and improved working conditions, in terms adapted to agricultural production, be extended, by stages, to hired farm workers on a national basis until comparability with industrial minimums is attained. 2/

7. Equal application of price support programs to all farms. A recurring question is whether farm programs should be designed to give special advantages to small farms. Small minimum allotments often are necessary for administrative feasibility. Proposals for more significant advantages for small farms frequently distinguish between small and economically adequate farms rather than between family and large-scale farms. Such provisions

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2/ For three dissenting views on minimum wages, see pages 15 through 19, inclusive.

might operate to tenants' disadvantage in areas where tenant-operated farms are larger and more productive than the average. Proficient production is highly valued in the American economy; program concessions to inefficiency are not likely to endure. We recommend the application of price support programs equally to all farms, with modifications for administrative effectiveness and flexibility of farm operations, as the policy most likely to preserve the good name of the family farm and to be consistent with effective operation of farm programs.

8. The inadequate farm unit. Despite the large decline in numbers of the smallest farms in the past two decades, it must be recognized that many uneconomic units remain on which family incomes will be low even if price-cost relationships are favorable for the family farms that produce the bulk of all farm products. The size of farm required for an adequate unit is likely to increase as technology advances. The earning power of some operators of small farms is low because of their advanced age or inability to acquire other skills; the resulting income problem should be treated as a general social problem rather than as a farm problem. Little real good will be done by somehow forcing families out of unfavorable farm situations into unemployment in cities, though statistically the farm situation would be made to look better. This difficult problem must be approached from many directions: development of rural nonfarm resources, training for adults with potential earning power in industry, employment information, education and counseling of rural youth for nonfarm careers, and consolidation of small farms. A high level of employment in the economy at large is absolutely vital for long-range solution of the problem.

We commend the sympathetic frankness with which this situation has been recognized in the establishment of rural development and other programs, and we recommend continued efforts on all fronts to alleviate it.

9. Farm price and income programs. Farm programs will continue to be necessary if families on adequate farms are to receive reasonable returns for their labor and investment. The disappearance of many inadequate farms will not materially alter the overproduction problem confronting the more productive farms, just as prices favorable to adequate family farms will not solve the income problems on the smallest farms. We recommend continued efforts to develop farm programs to create earnings on adequate family farms comparable with those outside of agriculture and to promote the long-run interests of the general public. Such programs properly include measures to put agricultural products to such useful purposes as aid to underdeveloped countries and domestic food distribution to needy people. Almost surely some means of restraining production, whether by so-called voluntary or mandatory means, will be required. It is not reasonable to expect to have precisely enough farm capacity so that full production just clears the market at satisfactory prices in normal times; and it would not be prudent national policy to attempt it. It will also be desirable to carry reserve stocks for emergencies as a national security measure and to level out consumers' supplies rather than as a strictly farm program. Farming operates in an economy in which substantial power to maintain prices and wages exists for other groups. Farming will need the stabilizing influence of price programs for key commodities if it is to share equitably in the product of the total economy to which it contributes so much.

STATEMENT OF CHARLES R. SAYRE REGARDING RECOMMENDATION NO. 6

In this report the proposal for mandatory minimum wages and upgrading of farm working conditions is coupled with a specific objective, to..."improve the competitive position of family farms relative to that of larger-than-family farms".

A much broader perspective is required to pre-appraise fully the problems which would be involved.

Several probable effects--some good and some bad--are obvious. Added rural unemployment would be a direct result of a rigid farm wage structure. Accelerated labor-reduction technologies would cut heavily into future farm-community job opportunities.

In many areas where hand labor is a seasonal need there are numerous off-season benefits that accrue to farm workers, making their returns on a year-around basis greater than is indicated by statistical measures. Minimum wage scales would eliminate such arrangements.

A bit less obvious, but of serious consequence, these impacts would hit mainly the least trainable parts of the Nation's wage earners.

The pattern of farm production in the United States has evolved following the principles of comparative advantage and specialization with high volumes of interregional trade. Elimination of wage differential would tend to disrupt mobility and other relationships which would increase selling prices for food and fiber. This would lessen further the competitive strength of U. S. farm products in markets highly sensitive to price adjustments.

Additionally, with the imposition of minimum wages some production areas would be helped economically; others would be damaged. Family farms and farm-based enterprises would be hurt alongside the larger-than-family farms in the areas forcefully shifted in their comparative relationships to a disadvantageous position.

The competitive climate for labor, capital, managerial capacity, and land within production areas and between production areas must be taken into account, along with industrial wages for adequate considerations of labor returns as a part of general farm policy.

The further development of the family farm is one of the American ideals which should be fostered. New entry into family farm status should be made as easy as possible. The ambitious and prudent rural family farm unit of their own needs the freedom of job choices, of selling their labor --all of it-- to best advantage. That is the usual way in which families, who operate farms, seek to push for increased size of business, either vertically or by taking on more land.

Restrictions upon job opportunities for the "landless" rural family wanting to achieve family farm status would often limit their income to that of the head of the family. It would tend to promote various types of "moonlighting" and other evasions. It would give a competitive advantage to the rural family operating land versus landless rural family residents. The family farm household could "use and sell" all of its labor. The non-farm family would be hobbled by statute.

It is my view that thorough studies should be made of the full implications of mandatory minimum wages and their likely economic and social effects to provide more adequate grounds for farm policy determinations. Proposals for minimum wages in relation to a single target could lead to serious distortions in the rural economy.

STATEMENT OF WILLIAM V. RAWLINGS REGARDING RECOMMENDATION NO. 6

I wish to disassociate myself from concurrence in this recommendation.

I recognize that employment conditions and wages for hired farm labor are a matter of concern, but I cannot agree that the solution lies in this recommendation.

I view this problem as a social problem and I do not agree that the economic condition of agriculture is such that will permit agriculture to bear the entire burden of correcting this social problem.

It may be that the recommendation for hired farm labor will improve the competitive position of family farms relative to that of larger-than-family farms. The fact remains that the accomplishment of the recommendation would involve a substantial increase in overhead for family farms without any prospect of comparable increases in income and the result would be a further shrinkage in the already low, net income of family farms. I cannot reason that although the shrinkage in net income for family farms may be less than the shrinkage in net income for larger than family farms, that such a result would be in the interest of family farms, nor consistent with the objective of parity of income for risk taking, farm operators.

Further, it is my feeling that the necessary working hours during rush periods, the fact that much farm labor is paid a steady wage even through periods of unemployment and partial employment, the wide variance of fringe benefits to many farm laborers such as housing, etc. all add up to a most difficult, if not impossible problem in enforcing such legislation should the objectives of this recommendation be enacted into law.

STATEMENT OF C. D. DOSKER REGARDING RECOMMENDATION NO. 6

I am not a bit sure that the imposition of minimum wages is going to improve the competitive position of family farms in relation to that of larger-than-family farms.

In many cases there are conditions other than that of wages alone which affect the hired employees of the family farm. This has to do with housing, the furnishing of food in the form of home-slaughtered meats, vegetables, poultry, fuel, and many things that enter into the cost of living as against the wage earner on the larger-than-family farm.

I am concerned that the imposition of minimum wages may eliminate from employment many people who due to physical handicaps can now find some employment in agriculture when they are no longer able to work in industry and thus take a load off the public relief rolls.

The application of minimum wages to farm help is going to impose an additional bookkeeping problem upon the family farmer.

I am certainly an advocate of the highest wages possible, but I have seen in industry what happens to the physically handicapped, and I think these people are entitled to employment, and no regulation should make it impossible for these people to be self-sufficient.

I think it is rather wishful thinking to talk about the wage level of farm help attaining that of industrial minimums. The law of supply and demand is just as effective in agriculture as it is in industry, but we must remember that there will continue to be a large number of subsistence farmers. The same must apply on the farm as in industry.

There must be an exemption on the number of employees that a farmer could have before coming under the effects of a regulation of this kind. You will always have the need of migratory labor at harvest time. Many school children now find some source of income in this type of work.

As I stated at the meeting, I think Section 6 needs a great deal of study before any outright recommendations are made in regard to minimum wages and working conditions for hired agricultural labor.

STATISTICAL SUPPLEMENT

The following pages contain additional information, mostly statistical, relating to the position of the family farm in American agriculture. The first four tables were prepared by Radoje Nikolitch of the Farm Production Economics Division, Economic Research Service, USDA. "Abnormal" farms, sometimes omitted from the tables, are institutional farms, Indian reservations, agricultural experiment stations, grazing associations, and the like. They comprised less than 0.1 percent of all farms in 1959.

The information given by tables 1-3 has been summarized in the main body of this report. Table 4 gives additional detail on the largest farms; some of the farms with sales of farm products exceeding $100,000 in 1959 employed less than 1.5 man-years of hired labor.

Table 5 records the decline in the importance of tenants, including croppers, since 1930. Both the proportion of farms operated and the proportion of cropland harvested have declined steeply. Part owners have increased in importance as owners have expanded by renting additional land and as some tenants have purchased land.

As table 6 shows, full and part owners together operate about 75 percent of the farms in all value-of-sales classes above $2,500. The percentage of full ownership is greatest on farms having sales of less than $2,500. Table 7 shows the large variation in sales per "commercial" farm, by tenure class, among the major regions of the country. In some areas--Illinois and Iowa--the tenant-operated farms are distinctly larger, on the average, than those operated by full owners; in others--Alabama, Mississippi--the reverse is true.

Changes in the numbers of hired and family farmworkers are given in table 8. The peak in total farm employment was reached in 1916, at 13,632,000 workers.

Tables 9 and 10 give data on farm real estate sales. Transfers of a single farm from a buyer to a seller who will operate it as a single farm are less frequent than sales of real estate to become part of a farm. Tenants have become less important as buyers of farms as their numbers have declined; owner-operators have become more important as buyers. The principal change on the selling side has been an increase in the importance of miscellaneous sellers other than active or retired farmers, estates, or lending agencies.

The inability of the smallest farms to provide an adequate living for the family has led to more off-farm work as well as to larger farms. In 1934, only 11.2 percent of farm operators worked off the farm 100 or more days (partly due to high industrial unemployment). The percentage rose to 23.3 in 1949 and to 29.9 in 1959. As table 11 shows, off-farm work was most important on the smallest farms in 1959. Five out of eight farm operators selling less than $2,500 worth of farm products had other income exceeding the value of products sold.

Table 1. Number of farms by value of farm marketings and proportions of all farm marketings[1/].

Value of marketings[2/]	Farms			Proportion of all farms		Proportion of all farm marketings	
	Number		Change from 1949 to 1959				
	1949	1959		1949	1959	1949	1959
	Thous.	Thous.	Percent	Percent	Percent	Percent	Percent
$20,000 and over	229[3/]	312	+36	4.3	8.4	34.3	50.1
$10,000 to $19,999	255[3/]	482	+89	4.7	13.0	16.7	22.0
$5,000 to $9,999	721	653	- 9	13.4	17.7	22.8	15.5
$2,500 to $4,999	882	617	-30	16.4	16.7	14.4	7.4
$2,500 and over	2,087	2,064	- 1	38.8	55.8	88.2	95.0
Under $2,500	3,287	1,634	-50	61.2	44.2	11.8	5.0
All	5,374	3,698	-31	100.0	100.0	100.0	100.0

1/Abnormal farms excluded.
2/Prices received by farmers decreased 3 percent. This change is too small to have a bearing on change in the number of farms by value of marketings.
3/Preliminary estimates.

Source: Derived from United States Censuses of Agriculture.

Table 2. Number and marketings of farms with specified man-years of hired labor as percentage of all farms, United States, 1944 and 1959[1/].

Man-years of hired labor	Farms				Marketings[2/]			
	1944		1959		1944		1959	
	Number[3/]	Pct. of total	Number	Pct. of total	Value	Pct. of total	Value	Pct. of total
	Thous.	Percent	Thous.	Percent	Mil. dol.	Percent	Mil. dol.	Percent
Farms with less than 1.5 man-years	4,925	94.5	3,542	95.7	13,318	66.5	21,359	70.1
Farms with 1.5 man-years or over	284	5.5	159	4.3	6,693	33.5	9,110	29.9
Total	5,209	100.0	3,701	100.0	20,011	100.0	30,469	100.0

1/Alaska and Hawaii not included.
2/Valued at 1959 prices received by farmers.
3/Adjusted to 1959 definition of farm.

Source: 1945 Census of Agriculture, and data derived from special tabulation by the Census of a sample of farms for the 1959 Census of Agriculture.

Table 3. Number and percentage change in number of farms with specified man-years of hired labor and value of marketings, and percentage of all farms, United States, 1949 and 1959.

Man-years of hired labor and value of marketings	Number of farms		Percent change		Proportion of all farms	
	1949	1959	Increase	Decrease	1949	1959
	Thous.	Thous.	Percent	Percent	Percent	Percent
Less than 1.5 man-years						
$10,000 or more marketings	334	650	95	--	16	31
$ 2,500 to $9,999 marketings	1,529	1,257	--	18	73	61
Total	1,863	1,907	2	--	89	92
1.5 or more man-years						
$10,000 or more marketings	150	144	--	4	7	7
$ 2,500 to $9,999 marketings	74	13	--	82	4	1
Total	224	157	--	30	11	8
All farms with $2,500 or more	2,087	2,064	--	1	100	100

1/Alaska and Hawaii not included.

Source: Derived from U.S. Census of Agriculture, and data derived from special tabulation by the Bureau of the Census of a sample of farms for the 1959 Census of Agriculture.

Table 4. Numbers of farms and farm marketings by size of farms in value of sales and by specified man-years of hired labor, United States, 1959. 1/

Size of farm in value of sales	Number of farms			Value of marketings		
	Total	Proportion with		Total	Proportion of farms with	
		Less than 1.5 man-years hired labor	More than 1.5 man-years hired labor		Less than 1.5 man-years hired labor	More than 1.5 man-years hired labor
	Number	Percent	Percent	Thou. dols.	Percent	Percent
$100,000 or more	19,861	11.3	88.7	4,862,959	7.6	92.4
$40,000 - $99,999	81,974	46.6	53.4	4,658,830	44.0	56.0
$40,000 or more	101,835	39.4	60.6	9,521,789	25.4	74.6
Less than $40,000	3,599,529	97.3	2.7	19,788,474	90.6	9.4
Total all farms	3,701,364	95.7	4.3	29,310,263	70.1	29.9

Source: Data derived from special tabulation by the Bureau of the Census of a sample of farms for the 1959 Census of Agriculture.

1/ Does not include Alaska and Hawaii.

Table 5. Changes in importance of different forms of tenure, United States, 1920-59.

Year	Full owners	Part owners	Man-agers	All tenants	Croppers[1/]	Total
			Percent of farm operators			
1920	52.2	8.7	1.1	38.1	8.7	100.0
1930	46.3	10.4	0.9	42.4	12.3	100.0
1940	50.6	10.1	0.6	38.8	8.9	100.0
1950	57.4	15.3	0.4	26.9	6.4	100.0
1959	57.1	22.5	0.6	19.8	3.3	100.0
			Percent of cropland harvested			
1929	34.6	21.6	1.9	41.9	5.4	100.0
1939	35.9	22.1	2.0	40.0	4.0	100.0
1949	35.2	33.0	2.1	29.7	2.4	100.0
1959	30.4	42.7	2.0	24.9	0.9	100.0

1/South only. Included in "all tenants."

Source: Census of Agriculture.

Table 6. Distribution of farms among tenure classes, by value of products sold, United States, 1959.

Value of products sold per farm	Full owners	Part owners	Managers	All tenants	Croppers[1]	Total
			Percent of farms in class			
$40,000 or more	31.4	44.0	5.6	19.1	0.2	100.0
$20,000 to $39,999	32.4	41.2	1.6	24.8	0.3	100.0
$10,000 to $19,999	35.6	37.2	0.7	26.6	0.6	100.0
$5,000 to $9,999	44.5	30.6	0.4	24.5	2.8	100.0
$2,500 to $4,999	54.1	22.8	0.3	22.8	6.4	100.0
Less than $2,500[2]	74.4	11.2	0.1	14.3	3.7	100.0
All farms[3]	57.1	22.5	0.6	19.8	3.3	100.0

1/South only. Included in "all tenants."
2/Includes part-time and part-retirement farms but not "abnormal" farms.
3/Includes "abnormal" farms.

Source: 1959 Census of Agriculture, Vol. II, Chapter X.

Table 7. Average sales per commercial farm[1/] in different tenure classes, by regions, 1959.

Area or region	Full owners	Part owners	Managers	All tenants	Croppers	All farms
	dol.	dol.	dol.	dol.	dol.	dol.
The North	9,226	13,922	61,163	12,865	--	11,703
Illinois, Iowa	11,120	16,928	66,560	15,855	--	14,496
The South	7,659	12,581	67,291	6,519	3,794	9,147
Alabama, Mississippi	6,964	10,922	51,194	3,511[2/]	2,751	6,796
The West	17,427	33,435	186,053	26,070	--	26,884
California	24,261	64,738	227,226	45,017	--	42,267
United States	9,549	15,533	89,277	10,726	--	12,147

1/Census definition. All farms with value of sales of $2,500 or more plus farms with sales between $50 and $2,499 and not part-time, part-retirement, or abnormal.

2/$4,207 for tenants other than croppers.

Source: From tabulations for a sample of farms, 1959 Census of Agriculture, Vol. II, Chapter X.

Table 8. Average annual numbers of farm workers, United States.

Year	Family workers	Hired workers	Total workers	Hired as percent of total
	Thous.	Thous.	Thous.	
1910	10,174	3,381	13,555	24.9
1920	10,041	3,391	13,432	25.2
1930	9,307	3,190	12,497	25.5
1940	8,300	2,679	10,979	24.4
1950	7,597	2,329	9,926	23.5
1951	7,310	2,236	9,546	23.4
1952	7,005	2,144	9,149	23.4
1953	6,775	2,089	8,864	23.6
1954	6,579	2,060	8,639	23.8
1955	6,347	2,017	8,364	24.1
1956	5,899	1,921	7,820	24.6
1957	5,682	1,895	7,577	25.0
1958	5,570	1,955	7,525	26.0
1959	5,390	1,952	7,342	26.6
1960	5,172	1,885	7,057	26.7
1961	5,029	1,890	6,919	27.3
1962	4,873	1,827	6,700	27.3

Source: U. S. Department of Agriculture.

Table 9. Percentage of sales of rural real estate by type of intended use.

Item	1957	1958	1959	1960	1961	1962
Single farm bought as:						
Single farm	48	45	43	42	40	39
Part of farm	18	18	19	20	21	20
Part-time farm	3	3	3	3	3	3
Total	69	66	65	65	64	62
Part of farm bought as:						
Single farm	6	7	5	5	5	6
Part of farm	19	20	22	23	24	24
Part-time farm	1	1	2	2	2	2
Total	26	28	29	30	31	32

Source: Farm Production Economics Division, ERS, USDA.

Table 10. Farm Real Estate Transfers: Percentage distribution by type of buyer and seller, United States, years ended March 1.[1]

Year	Type of buyer				
	Tenant	Owner operator	Retired farmer	Non-farmer	Total
	Percent	Percent	Percent	Percent	Percent
1944	32.8	33.3	2.8	31.1	100.0
1945	28.6	34.4	3.3	33.7	100.0
1946	29.2	34.6	3.5	32.7	100.0
1947	30.1	33.9	3.8	32.2	100.0
1948	32.3	35.5	4.0	28.2	100.0
1949	31.0	36.5	4.6	27.9	100.0
1950	30.6	36.5	4.5	28.4	100.0
1951	25.7	37.5	4.7	32.1	100.0
1952	24.8	38.3	4.7	32.2	100.0
1953	23.7	38.3	4.3	33.7	100.0
1954	23.7	38.1	4.3	33.9	100.0
1955	24.1	38.7	4.4	32.8	100.0
1956	21.7	37.9	4.9	35.5	100.0
1957	19.9	39.9	4.2	35.9	100.0
1958	20.0	39.8	5.2	35.0	100.0
1959	18.4	41.4	4.0	36.2	100.0
1960	16.2	46.9	3.1	33.8	100.0
1961	16.6	48.1	3.2	32.1	100.0

Year	Type of seller					
	Active farmer	Retired farmer	Estate	Lending agency and county, State or Fed. Govt.	Other	Total
	Percent	Percent	Percent	Percent	Percent	Percent
1944	42.5	19.3	12.7	16.5	9.0	100.0
1945	49.3	14.7	16.0	7.6	12.4	100.0
1946	52.2	16.3	15.2	5.8	10.5	100.0
1947	46.5	15.4	15.5	4.2	18.4	100.0
1948	50.1	15.0	14.9	3.0	17.0	100.0
1949	52.9	16.9	16.1	2.2	11.9	100.0
1950	51.9	15.9	15.3	1.6	15.3	100.0
1951	52.5	16.3	14.4	1.3	15.5	100.0
1952	55.2	15.0	14.1	1.2	14.5	100.0
1953	54.3	14.4	15.5	1.2	14.6	100.0
1954	51.6	15.0	16.4	1.1	15.9	100.0
1955	53.9	15.8	14.9	0.8	14.6	100.0
1956	51.6	17.0	16.0	1.1	14.2	100.0
1957	50.7	18.2	15.3	0.7	15.0	100.0
1958	47.1	19.7	17.0	1.0	15.2	100.0
1959	38.1	19.7	15.6	0.5	26.1	100.0
1960	49.8	12.8	10.8	0.6	26.0	100.0
1961	49.4	14.1	12.0	0.4	24.1	100.0

1/Source: October 1961, "Current Developments in the Farm Real Estate Market," and earlier issues. Estimates for 1944-51 not strictly comparable with later years because of method of weighting. Prepared in Farm Production Economics Division, ERS.

Table 11. Proportions of farm operators reporting specified amounts of off-farm work and other income, by value of farm products sold, United States, 1959.

Value of farm products sold per farm	Percent of all farms	Percent of farm operators working off farm 100 days or more	Percent of farm operators reporting other income exceeding value of farm products sold
$40,000 or more	2.8	9.5	5.7
$20,000 - $39,999	5.7	9.0	5.9
$10,000 - $19,999	13.0	10.4	6.9
$5,000 - $9,999	17.6	16.2	12.6
$2,500 - $4,999	16.7	26.7	27.3
$2,500 or more	55.8	17.0	14.6
Less than $2,500	44.2	46.1	62.5
All farms	100.0	29.9	35.8

Source: From a tabulation of a sample of farms from the 1959 Census of Agriculture, Vol. II, Chapter II.